

ELIMINATION OF DUTY ON CERTAIN NATURAL RUBBER

DECEMBER 10, 1970.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. MILLS, from the Committee on Ways and Means,
submitted the following

REPORT

[To accompany H.R. 19526]

The Committee on Ways and Means, to whom was referred the bill (H.R. 19526) to eliminate the duty on natural rubber containing fillers, extenders, pigments, or rubber-processing chemicals, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

PURPOSE

The purpose of H.R. 19526 is to amend the Tariff Schedules of the United States to make duty free the imports of natural rubber containing fillers, extenders, pigments, or rubber-processing chemicals when entered at the column 1 rate of duty under item 446.10 of the tariff schedules.

GENERAL STATEMENT

Imports of unprocessed natural rubber have long been free of duty. Processed natural rubber; that is, natural rubber containing fillers, extenders, pigments, or rubber-processing chemicals, is presently dutiable at 7 percent ad valorem (the most-favored-nation or trade agreement rate) under item 446.10 of the Tariff Schedules of the United States (TSUS). The rate of duty under TSUS item 446.10 is scheduled to be further reduced to 5 percent ad valorem by January 1, 1972, pursuant to the rate reduction agreed to in the Kennedy Round of Trade Negotiations.

Natural rubber consumers in this country, particularly small extruded-goods manufacturers, very often require natural rubber containing small amounts of processing chemicals. Such chemicals can easily be added in the country producing the natural rubber.

Your committee is informed that elimination of the duty on TSUS item 446.10 will benefit domestic manufacturers by reducing the cost of this specialized rubber material. The committee also is informed that domestic rubber manufacturers do not object to the elimination of the duty on processed natural rubber. Finally, developing countries which produce natural rubber, principally Malaysia, have expressed an interest in the removal of this tariff barrier to their exports.

H.R. 19526 was originally proposed in draft form to the Congress by the Secretary of Commerce. No objection to the bill was made by any other Government agency. The committee has received no objection from any other interested party.

For the above reasons, your committee believes H.R. 19526 to be meritorious and unanimously recommends its passage.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in *italic*, existing law in which no change is proposed is shown in roman):

TARIFF SCHEDULES OF THE UNITED STATES

SCHEDULE 4.—CHEMICALS AND RELATED PRODUCTS

Part 4.—Synthetic Resins and Plastics Materials; Rubber

| Item | Articles | Rates of duty | |
|--------|--|---------------|-------------------------------|
| | | 1 | 2 |
| 446.10 | Containing fillers, extenders, pigments, or rubber-processing chemicals. | [7% ad val.] | <i>Free</i> 20% ad val. |